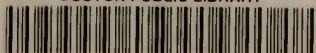


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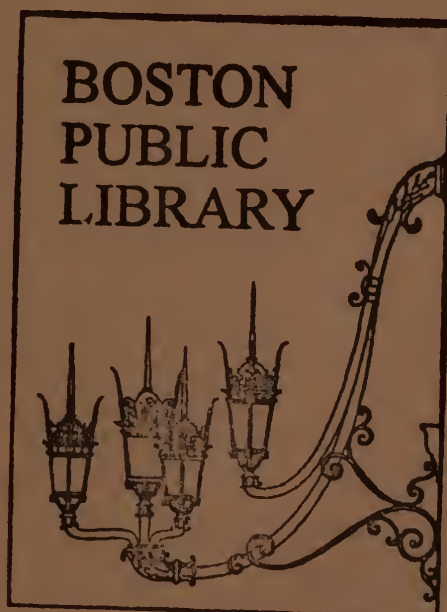


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HOUSING IN THE SOUTH END

preliminary report

Boston Redevelopment Authority



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HOUSING IN THE SOUTH END

A Report on the Current Status of
Residential Renewal

BOSTON REDEVELOPMENT AUTHORITY

April 1, 1974

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INTRODUCTION

After several years of extensive urban renewal activity in the South End, it is appropriate at this time to report to the community on the progress made to date in carrying out the goals of the Renewal Plan.

In this first of a series of reports, the BRA presents the current status of housing in the South End, and in conjunction with the Mayor's Office and the Boston Housing Authority, offers for community consideration several recommendations regarding new and ongoing policies and programs.

In subsequent reports, the BRA will document the progress towards achieving other renewal objectives in the areas of public improvements, industrial and commercial development, and public facilities construction. At a time when renewal funding is being replaced by revenue sharing, the purpose of these reports is to stimulate discussion, analysis and evaluation of the future of the South End.

It is the Authority's expressed intent that, in the light of contemporary issues, a thorough and candid review of the information and suggestions contained herein will result in a refinement of the goals and objectives set forth in the 1966 Urban Renewal Plan. More importantly, a major revitalization effort has taken place over the past several years towards improving the quality of life in the South End. The continuation of this effort should be the primary concern of all interested parties throughout the community and should be the framework within which this report is analyzed.

I. BEFORE THE PLAN

I. BEFORE THE PLAN

In the late 1950s, the South End was a microcosm of mid-twentieth century urban life, plagued with the problems of dwindling population, poverty and decay that typified old inner-city neighborhoods throughout the country.

Yet for many of its residents, the South End was a viable, low-rent area of the city for the lodging house tenants, the elderly, first and second generation families of middle- and far-eastern origin, and the recently arrived Southern Blacks and Spanish-speaking. In all, some forty ethnic groups made up the population, concentrated for the most part in homogeneous enclaves and sub-communities scattered throughout the area.

Some form of urban renewal was urgently needed: banks refused to issue mortgages, demolition was proceeding at an alarming rate, schools and other community facilities were either outmoded or lacking altogether, and the water and sewer system was archaic. Furthermore, the existing housing stock was rapidly deteriorating and in need of substantial repair, and it was doubtful that local residents would or could rehabilitate their properties in accordance with local codes and ordinances.

In 1960, the key to the Development Program was the rehabilitation of Boston's deteriorating neighborhoods. Instead of bulldozing massive areas within run-down districts, programs were launched to preserve their social and physical fabric, and the basic concern became the maintenance and improvement of the existing housing stock. The focus of urban renewal in the South End was rehabilitation on a very large scale.

Unlike most other urban neighborhoods, however, the South End had a unique architectural integrity, coupled with its proximity to downtown, that provided the potential for the development of an attractive, middle- and upper-middle class neighborhood. The northeasterly section of the area, within walking distance to the central business district, was becoming increasingly desirable to young professionals. Spurred on by expanding office construction downtown, as well as by the development of the Prudential Center complex directly to the west, a new market appeal was emerging in the South End. By the mid-1960s, private developers and higher-income families were beginning to purchase and rehabilitate the old brick townhouses in substantial numbers.

Because federally-funded urban renewal programs required, (1) community approval and (2) that local owners make considerable investments in order to bring their properties up to standard, it was crucial that residents of the area have confidence in any renewal plan proposed for their community.

In 1961, a committee was formed consisting of South End neighborhood representatives and leaders drawn from local businesses and institutions. Together with the Boston Redevelopment Authority's project team, the committee held a series of meetings with the various Neighborhood Associations. Although the meetings were heavily oriented toward homeowners, one of the major issues raised centered on the debate between a planning effort directed at the needs of existing South End residents versus one geared towards encouraging the movement of higher income people into the Project Area.

In The Rehabilitation Planning Game, Langley Keyes writes that, in the early days of renewal, some people involved in planning the New South End believed that

only with renewal was there any hope of preserving the heterogeneous racial and social residential population in the area - that without renewal there would be a gradual end to the rooming house population as owners sold out to (higher-income residents) who would convert the bowfronts to single family use. With renewal, there was hope of some public housing, housing for the elderly, and nonprofit 221d3 housing, as well as relocation services for the dispossessed.

Others maintained that ... rather than limiting the spread of middle-class families and rents, the renewal process ensured that the district would be open wide to (them). Groups dependent on low rents would be squeezed out by the economics of rehabilitation and by upward pressure on property values--pressure that benefits the resident homeowner but not the renter.¹

The BRA was not willing to promote extensive privately financed rehabilitation because it would jeopardize its relationship with the neighborhood associations, whose support was ultimately needed for approval of the plan.

Accordingly, the BRA favored an approach that would not turn over the area to the higher income residents, but that would allow the existing citizenry to have a significant voice in planning and developing the South End.

After four years of extensive negotiations with numerous community groups and neighborhood associations, the Urban Renewal Committee provided a general endorsement and affirmation that the Plan was responsive to the needs of the neighborhoods. A public hearing was held in August of 1965, the Loan and Grant Application received City Council approval on December 6, 1965, and HUD approval on June 18, 1966.

II. THE 1966 PLAN

The 1966 Plan for the New South End

Throughout the planning process, both the Urban Renewal Committee and the Neighborhood Associations intended that urban renewal would ultimately improve the quality of life in their community for property owners, tenants, families and the elderly.

The following housing-related excerpts are presented verbatim from the South End Urban Renewal Plan and Part I of the Loan and Grant application, and directly reflect the concerns and intentions of the Urban Renewal Committee and the Neighborhood Associations.

THE SOUTH END URBAN RENEWAL PLAN - 1966

A. Basic Housing-Related Goals and Objectives*

- provide, in appropriate areas, new housing units which provide the highest level of amenity, convenience, usefulness and livability which are within the income requirements of the residents of the community;
- provide an economically, socially and racially integrated community; and
- provide new housing specifically designed to meet the needs of the numerous elderly residents of the community.

B. Rehabilitation*

- all properties and buildings within the Project Area not designated for acquisition are to be maintained at or brought to a level which achieves a decent standard of safe and sanitary housing and shall be made to conform to all applicable state and local laws, ordinances, codes and regulations.

C. Relocation of Families and Individuals*

1. Families to be Displaced

- approximately 1,730 families and 1,820 single person households reside in clearance sections of the Project Area;
- of the total 3,550 households, about 2,412 (69 percent) need one-bedroom units or similar housing;
- almost three out of every four families are expected to move into private rental housing;
- one out of five (746) are expected to move into public housing;
- nearly two out of every three (2,325) households are eligible for low rent public housing, but preferences indicate that fewer will desire to relocate into such housing;
- it is expected that the majority of families who will relocate into public housing are elderly persons.

2. Availability of Relocation Housing*

From analysis of housing needs and requirements, including the percentage of aged owner-occupants who are expected to prefer either public housing or privately improved tenancy, the following conclusions as to the selection of new and improved houses have been determined:

a. Rehousing in Low Rent Public Housing

It is estimated that 746 families and aged individuals by reason of limited income, age and other factors of eligibility will be relocated into public housing.

The proposed rehousing of displaced families and single persons in public housing is based on:

- normal turnover in federally-aided low rent public housing, including accommodations for elderly;
- turnover in state-aided housing and housing for the elderly; and
- new construction

The Boston Housing Authority currently operates 886 dwelling units of various sizes in the South End. They have reported a turnover of up to 100 units each year.

Public housing units in the existing housing inventory are available on a preferential basis to displace^d families and individuals. The combined estimated need for public housing - 746 units - would be spread over a seven year displacement period.

In addition, the South End Urban Renewal Plan proposes 800 units of new public housing, 500 of which are proposed for the elderly. Furthermore, referrals of structures for residential rehabilitation have been made to the Housing Authority. This resource will add to the housing resources for relocation.

b. Rehousing in Standard Private Rental Housing

2,390 families and aged individuals are expected to choose to continue to rent in either existing or newly created private rental housing. The proposed rehousing of displaced families and single persons in standard private rental housing is based on the vacancies expected to be available from turnover (approximately 5%) and in newly constructed moderate rental units throughout the City of Boston during the displacement period.

* Loan and Grant Application Part I

c. Rehousing in Standard Private Sales Housing

It is estimated that 414 families and aged homeowners have either been long term owners with substantial equity in their own property or have the financial resources to express a preference for purchase or to be persuaded to purchase homes as an improvement over present domiciles. The proposed rehousing of displaced families and single persons in standard private sales housing is based on vacancies expected to be available during the displacement period.

d. Anticipated New Construction and Rehabilitation

Many sites have been proposed within the Project Area for housing construction, some of which are already predominately vacant.

Although housing resources in the existing housing inventory are estimated to be adequate to meet relocation needs, new housing is proposed as part of the project program. Based on ability to pay for housing, it is estimated that approximately 25% of the families and single persons could use the new private rental housing constructed during the displacement period. Rental housing constructed on BRA acquired sites will be under the 221 (d) (3) program. An estimated 2500 such units are proposed in the South End.*

The South End renewal team has been working with non-profit housing sponsors to implement a lower rental rehabilitation program, and will continue to work with these groups to provide decent, improved housing at rents and prices within the ability to pay ranges of lower income families.

In accordance with federal and state regulations, site displacees have priority for occupancy of housing construction in renewal areas. Developers or builders constructing new housing in the Project Area will be required to conform to all appropriate laws and regulations in this respect.

3. Standards for Relocation**

a. Ability to Pay

For private rental or sales housing, ability to pay twenty to twenty-three percent of family income for gross housing costs is considered a practicable standard, except where unusual conditions exist. This standard is in conformance with accepted practices in the private housing market.

* Up to 550 of these units are expected to have BHA leasing or Rent Supplement for low-income tenants.

** South End Urban Renewal Plan

4. Assumptions and Conclusions as to Housing Resources and Requirements

Analysis of housing requirements and resources has led to the conclusion that available public and private housing resources in the City of Boston are adequate to meet the housing needs of families and single persons to be displaced from the clearance sections of the Project Area.

SUMMARY OF AVAILABILITY OF RELOCATION HOUSING

Households to be relocated in existing private rental units	1,800
---	-------

Households to be relocated in newly created private rental units	600
--	-----

Households to be relocated in existing Public Housing (100 per year over 7 years)	750
---	-----

Households to be relocated in sales housing	<u>400</u>
---	------------

Total number of households to be relocated	3,550
--	-------

Of this total, two-thirds, or 2,325 households are eligible for low rent public housing.

PROJECTED AVAILABLE NEW HOUSING

New Moderate Income Units (including up to 550 low-income units)	2,500
--	-------

New Public Housing Elderly Units	500
----------------------------------	-----

New Public Housing Family Units	<u>300</u>
	3,300

NOTE:

Section 502, paragraph e of the Renewal Plan, entitled Rehabilitation Demonstration Housing, states:

Under rehabilitation demonstration programs which can be undertaken by the Authority, up to 100 rehabilitated dwelling units in the South End may be rehabilitated for residential use. Preferences in such accommodations will be given to families and individuals to be relocated.

This program was initially conceived as a mechanism whereby the BRA could refurbish a limited number of dwelling units in an effort to promote and encourage private rehabilitation while providing some relocation housing. In no sense was it ever intended to define the maximum number of units to be rehabilitated for low income tenants.

Subsequent to Plan approval, however, the BRA concluded the local, non-profit developers would be 1) more suitable to undertake rehabilitation than the Authority, and 2) would be able to take advantage of other federal programs better directed at the needs of lower income residents.

III. CURRENT STATUS OF NEW AND
REHABILITATED LOW AND
MODERATE INCOME HOUSING

III. CURRENT STATUS OF NEW AND REHABILITATED LOW AND MODERATE INCOME HOUSING

The South End stands in sharp contrast to most blighted inner city renewal projects because it is supported by a strong market for privately financed residential rehabilitation and new construction.²

In attempting to be responsive to the multiplicity of interests within the South End Project Area as a whole, the Urban Renewal Plan set forth two primary objectives that were in apparent contradiction with one another:

- the rehabilitation of existing housing; and
- insuring the availability of standard housing at rentals that all displaced low income residents wishing to remain in the South End could afford.

The seeming incompatibility of these two goals have become a continuing source of conflict between the various diverse factions within the community.

During the first two years of implementation following approval of the Plan, a major controversy began to evolve around the Authority's housing policies and procedures. The acquisition and demolition of buildings on parcels scheduled for new development involved relocating hundreds of households, and at that point no new housing had yet become available within the South End.

In a report entitled Urban Renewal's Effect on Low Income Housing in Boston's South End, prepared by Urban Planning Aid in October, 1967, one of its primary recommendations urged that:

"the South End Urban Renewal Plan be modified to provide for an increased number of low income housing units. The plan should provide for as least as many units of low rent replacement housing as are needed by relocatees with low incomes. This is particularly necessary because private construction and rehabilitation clearly are not contributing to that supply. Two-thirds of all households to be displaced (2,325) qualify for low rent public housing."³

Of that 2,325, 746 were expected to move into the existing South End Public Housing stock (886 units) at the rate of about 100 per year over a seven year period. This would leave 1,473 households eligible for low rent housing in subsidized new or rehabilitated dwelling units.

In May of 1968, the BRA ordered that demolition cease in response to neighborhood demands that no relocation would continue until subsidized housing was built, or until occupied buildings were needed for imminent development.

The following year the Community Assembly for a Unified South End (CAUSE) organized Tent City in a dispute with the BRA over residential development. Shortly thereafter, elections sponsored by the City were held for the purposes of electing a South End Project Area Committee. This organization was given a broad range of responsibilities by the Mayor's Office in an effort to insure that the implementation of the Renewal Plan would be consistent with the needs and objectives of all South End residents.

Since that time, the renewal process in the South End has been primarily responsible for the construction and rehabilitation of standard low and moderate income housing, an effort that has frequently run counter to the private forces that increase the number of houses for higher income residents.

SUMMARY OF TOTAL NEW AND REHABILITATED LOW AND MODERATE INCOME HOUSING
UNITS COMPLETED, UNDER CONSTRUCTION, AND IN PROCESSING AS OF MARCH 1974

	LOW*	MODERATE*	TOTAL
New Family Units	550	1,687	2,237
Rehabilitated	753	1,029	1,782
New Elderly	<u>540</u>	<u>-</u>	<u>540</u>
	1,843	2,716	4,559
Existing Public Housing	<u>886</u>	<u>-</u>	<u>886</u>
	2,729	2,716	5,445

TOTAL SUBSIDIZED HOUSING UNITS AS A PERCENTAGE OF THE HOUSING STOCK IN
THE PROJECT AREA AS OF MARCH 1, 1974

Approximately 13,000 total dwelling units presently exist, are under
construction, or are in processing in the South End Urban Renewal Area

2,729 Low Income Units (including Public Housing): 21%

2,716 Moderate Income Units 21%

570 Section 312** and 115 Units 4%
6,015 46%

*For eligibility requirements for Low and Moderate Income Housing,
refer to the last page of the Glossary section in this report.

**While an implicit objective of the BRA rehabilitation program has been
to give low and moderate income homeowners priority in the processing of
rehabilitation loans, the average income of 312 applicants (3% interest)
has been in the vicinity of \$18,000 per year.

A. NEW LOW AND MODERATE INCOME HOUSING
COMPLETED, UNDER CONSTRUCTION AND IN
PROCESSING AS OF MARCH 1, 1974

A. New Low and Moderate Income Housing

In its minutes of April 5, 1965, the Urban Renewal Committee held that

"from the very beginning, this committee has committed itself to work for the best interests of the entire South End. The fact remains that we have a large percentage of low income families and we would be remiss in our duty if we did not try to get decent, safe and sanitary housing for these people."

The Committee served as the mechanism for legitimatizing the aggregate amount of subsidized housing to be brought into the area under renewal, and the process of negotiation at the neighborhood level provided locations for that housing.¹

As a result of the Committee's deliberations, the Urban Renewal Plan calls for the construction of 2500 new moderate income units, 300 new public housing units, and 500 new elderly units, for a total 3,300 new subsidized dwelling units.

To date, 1,652 new subsidized family units have been built or are under construction, and 585 are in processing, for a total of 2,237.

In addition, 540 units of public housing for the elderly have been completed or are under construction.

Note: The 300 units of new family public housing proposed in the Plan have not been built because it is not possible to provide this type of housing in Massachusetts within the construction cost limits of this program.

NEW LOW AND MODERATE INCOME HOUSING UNITS COMPLETED, UNDER CONSTRUCTION,
AND IN PROCESSING

<u>DEVELOPER</u>	<u>UNITS</u>
Castle Square	500
Roxse	364
Brightmore Terrace (Grant AME)	180
Westminster and Willard Place	279
Methunion Manor	150
Camfield Gardens	135
Mass Housing	44
ETC Phase I New Construction	181 (in processing)
Headstart Housing	145* (in processing)
Concord Housing	181* (in processing)
South End Building Systems	62* (in processing)
Kenwood Development Corp.	16* (in processing)
	<hr/> 2,237

Assuming that approximately 30 percent of this total** are available for low income tenants under BHA's Leased Housing Program and FHA's Rent Supplement Program:

550 units are available for low income tenants

1,687 units are available for moderate income tenants

2,237 Total new Low and Moderate Income Units

*As of this writing, these developments have not yet received a commitment for Leased Housing from the BHA, and are assumed to be 100% moderate.

**Adjusted to account for developments in processing listed as 100% moderate income.

NEW LOW INCOME ELDERLY HOUSING COMPLETED AND UNDER CONSTRUCTION

Castle Square	102
Peabody (Turnkey)	234
ETC (Turnkey)	<u>204</u> (under construction)
	540

B. REHABILITATED LOW AND MODERATE INCOME
HOUSING COMPLETED, UNDER CONSTRUCTION AND
IN PROCESSING AS OF MARCH 1, 1974

B. Rehabilitated Low and Moderate Income Housing

In formulating the Plan, the Urban Renewal Committee and the Neighborhood Associations agreed that 3,300 units of new low and moderate income housing should be constructed for families and the elderly. Yet the various groups involved in the planning process were aware that some form of additional subsidized housing was required to meet the needs of the large number of poorer residents in the South End. Thus, rehabilitation of tax-foreclosed properties by nonprofit developers was proposed as an acceptable means of providing this additional subsidized housing.

Furthermore, initial estimates suggested that residential rehabilitation would require about \$3,000 per dwelling unit for a typical South End Row House, an amount theoretically low enough to maintain rents within limits which the existing tenancy could afford (the median income in the South End in 1960 was \$4542).

Actual rehabilitation costs, however, far exceeded the amount originally anticipated. The rehabilitation of South End row houses presents special problems and requires unique solutions.⁴ By 1974, the average cost of rehabilitation had climbed to more than \$9,000 per dwelling unit, while the median income in 1970 in the South End had only increased to \$6,122.

It became apparent soon after Plan approval that - in spite of non-profit status, availability of tax-foreclosed properties, below market interest rates, experienced project teams, and tax-relief (Chapter 121A) - rehabilitation of a South End Row House for occupancy for low and moderate income tenants was feasible only when provision was made for some form of rent subsidy.

Therefore, in order to accommodate the housing needs of lower-income residents, the Authority sold a number of buildings to local non-profit

and limited-dividend developers for rehabilitation under a wide variety of local, state and federal assistance, including the Boston Housing Authority's Leased Housing and the Federal Housing Administration's Rent Supplement Programs.

REHABILITATED LOW AND MODERATE INCOME HOUSING

DEVELOPER	NO. OF BLDGS.	NO. OF BLDGS. CONVEYED BY BRA	TOTAL UNITS
TDC I	20	20	100
TDC II	36	36	174
Low Cost Housing	46	34	149
SECD	22	17	100
Interfaith	4	2	87
Ebenezer Baptist	7	-	32
Mass Housing	6	5	23
Warren Avenue	5	-	30
CATA**	2	2	105
ETC Phase I Rehab	14	14	71
Piano Craft Guild**	1	-	174 ¹
Eastern Associates	7	-	34
Tuckerman	11	5	12
West Newton Street	25	-	136 ²
Franklin Sq. House*	1		188 ³
Leased Units in Private Unsubsidized Housing	-	-	302 ²
	<u>222</u>	<u>133</u>	<u>1,782</u>

* not yet under construction

** under construction

1. MHFA rent-skewed, with 25% low, 50% moderate, 25% market
2. 100% low income under BHA's Leased Housing Program
3. Rent schedule not yet determined - assumed to be 100% moderate

Assuming that approximately 30 percent of this total* are now available for low income tenants under the BHA's Leased Housing Program and the Federal Rent Supplement Program:

753 Low income Units
1,029 Moderate Income Units
 1,782 Total Low and Moderate Rehabilitated Units

*Adjustments have been made to compensate for the fact that some of the projects listed are 100% low income or are rent skewed.

SUMMARY OF TOTAL NEW AND REHABILITATED LOW AND MODERATE INCOME HOUSING UNITS COMPLETED, UNDER CONSTRUCTION, AND IN PROCESSING AS OF MARCH 1974

	LOW	MODERATE	TOTAL
New Family Units	550	1,687	2,237
Rehabilitated	753	1,029	1,782
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	1,843	2,716	4,559
Existing Public Housing	<u>886</u>	<u>-</u>	<u>886</u>
	2,729	2,716	5,445

CURRENT REHABILITATION STATUS THROUGHOUT THE PROJECT AREA

Because actual rehabilitation costs have been much higher than anticipated, there has been a general slowdown throughout the Project Area as a whole. Moreover, a shortage of Section 312 and 115 funds has further heightened the problem.

Total Number of <u>Structures</u> in the Project Area		3,537
<u>Structures</u> in Clearance Areas		926
<u>Structures</u> in Non-Clearance Areas		
Residential	2,211	
Non-Residential	400	
<u>Structures</u> Requiring Rehabilitation (estimated to be about 75 percent)		1,657
Total Completed		
Residential	806	
Non-Residential	33	(2%)
Total Residential Complete/Committed		924(56%)
Total Remaining <u>Structures</u> to be Rehabilitated		700(42%)

HOUSING CONDITIONS IN THE SOUTH END - 1970

	A. Good as is	C. Substantial	D. Major Rehabilitation	Total
	B. Minor Repairs	Repairs	E. Seriously Substandard	Units
South End	50%	25%	25%	10,700
Boston	62%	18%	20%	232,400
Requiring Substantial Repair:	Units within this category might require the replacement of a major system, such as electrical, plumbing, or heating.			
Seriously Substandard:	Units which appear to have deteriorated beyond possible rehabilitation or where the cost of rehabilitation is estimated to greatly exceed the value of the property.			
Requiring Major Rehabilitation:	Units which require substantial rehabilitation to place in good condition.			

UNITS REHABILITATED AS OF MARCH 1, 1974
BY TYPE OF FINANCING

<u>FHA 220</u>	<u>FHA 221d3</u>	<u>SEC. 236</u>	<u>SEC. 115</u>	<u>SEC. 312</u>	<u>115/ 312</u>	<u>Conventional</u>	<u>Total Units</u>
64	304	556	129	418	23	1,912	3,406
1.9%	8.9%	16.3%	3.8%	12.3%	0.7%	57.1%	100%

RESIDENTIAL REHABILITATION COSTS AS OF MARCH 1, 1974

<u>NUMBER OF UNITS</u>	<u>TOTAL COST</u>	<u>AVERAGE COST</u>
3,406	\$31,366,125	\$9,209

IV. SUMMARY AND RECOMMENDATIONS

SUMMARY

In order to retain a certain degree of flexibility in the midst of emerging federal programs, the 1966 South End Urban Renewal Plan does not specifically define the total number of subsidized housing units to be constructed and rehabilitated within the Project Area.

Moreover, in formulating the Plan, local community representatives and the BRA Project staff, while seeking to accommodate the housing needs of the poorer residents of the area, were unable to anticipate the excessive costs of rehabilitation.

In response to the need for low and moderate income dwelling units in the South End, the BRA, with community support and approval, has given top priority to the provision of subsidized housing where ever and whenever feasible. Using a variety of state and federal programs, 4,559 new and rehabilitated dwelling units have been constructed and rehabilitated or are in processing by local non-profit and limited dividend developers in order to meet the housing requirements of low and moderate income families and individuals.

In spite of these accomplishments, housing deprivation still exists in the South End -- some families continue to reside in physically inadequate housing or in overcrowded conditions, bear an unusually high rent burden relative to their low incomes, or live in blighted neighborhoods.⁵ Furthermore, prevailing market pressures will continue to dislocate low income families.

The BRA, however, is no longer able to continue to give top priority to the provision of additional subsidized housing developments within the South End Urban Renewal Area, beyond those presently in processing, for the following reasons:

1. As a result of the recent federal moratorium, the future of subsidized housing is uncertain (See Attached Correspondence from M. Daniel Richardson, HUD Area Office Director, to Robert T. Kenney, BRA Director, dated March 4, 1974, re: Section 236 Set Aside Funds for City of Boston).
2. The Boston Housing Authority feels that there is already so great a proportion of its funds in the South End that other sections of the City are now of higher priority. (See Attached Correspondence from Samuel Thompson, BHA Administrator, to Robert T. Kenney, BRA Director, dated 25 February, 1974, re: Low Income Housing Needs, South End).
3. Diminished federal Urban Renewal funds have severely curtailed the BRA's ability to complete acquisition and clearance on several of the remaining parcels scheduled for residential redevelopment.
4. Finally, with respect to the goals and objectives outlined in the 1966 Plan, and to the subsequent assurances given by the BRA in response to a more precisely defined need for subsidized housing, the 4,559 new and rehabilitated low and moderate income units presently completed, under construction and in processing, fulfill the Authority's commitment in this regard. Even if this responsibility had not been met, the dwindling resources and revised policies outlined above would, in and of themselves, force a halt to additional production.

As a result of these and other restrictions, the BRA has recently proposed a reduction in the scope of the Renewal Plan in order to bring the Project to completion. The Authority intends to direct its limited remaining resources towards providing the ancillary amenities necessary to make the South End a more attractive and liveable community. And to whatever extent possible, the BRA will continue to support and participate in programs and policies that are geared towards providing standard dwelling units affordable by lower income tenants.

The existing housing stock must be renewed and upgraded, but it is practically impossible for the BRA to unilaterally deliver any project or service. The agency must act primarily as planner, advisor, advocate and administrator of desired work from inception through implementation.

The following recommendations propose a wide range of coordinated public and private efforts which will hopefully maintain the existing supply of low and moderate income units, encourage rehabilitation, and keep rents at a level commensurate with the incomes of existing South End residents.

RECOMMENDATIONS FOR CONSIDERATION

A. Maintaining the Present Resource of Newly Constructed and Rehabilitated Subsidized Housing

Some of the new and rehabilitated subsidized housing developments in the South End face serious programatic, economic, social or environmental difficulties. If these complex problems are not dealt with promptly and directly, many low and moderate income units may be irrevocably lost through foreclosure* and subsequent conversion to market rentals. The following recommendations outline steps that can be taken to assure that those subsidized developments completed, under construction, or in processing can be successfully retained as a viable housing resource within the community:

1. The Role of Social Service Agencies

A major effort must be made by local social service agencies for the provision of diagnostic and referral services for households which have chronic multiple social and economic problems, and of special programs for low income tenants where needed. The latter should be directed towards:

- a. developing more effective means of communication between management and tenants through helpful orientation programs;
- b. creating meaningful programs of benefit to the tenants and the entire community;
- c. providing assistance as needed to particular tenants and managers in the utilization of available social and other services.

*As of October 1973, twelve subsidized housing development in the Boston Metropolitan Area were in or near foreclosure.

To this end, the Boston Redevelopment Authority has annually entered into a social service contract with the SNAP Family Service Clinic for displaced families, but the scope of such need in the community extends beyond displaced households and beyond what could adequately be met by remaining urban renewal funds. All of the local social service agencies must work cooperatively in developing programs and providing individual and/or group assistance to improve the quality of life for tenants in low and moderate income housing developments.

2. The Role of Management

The role of manager of a subsidized housing development requires a variety of skills to cope with a wide range of responsibilities -- including dealing extensively with tenants, performance of management and maintenance functions, pursuit of business and financial matters through numerous governmental agencies, and participation in tenants' and community concerns. Often this must be accomplished with inadequate funds to permit sufficient staffing required for services to tenants and adequate maintenance.

- a. All developers should insure that managers are sensitive to and oriented toward the needs of tenants and the South End community.
- b. Managers should also be strongly encouraged to utilize community agencies both for tenant orientation programs and for referrals for counselling or other help in individual instances.

3. The Role of the Department of Housing and Urban Development (HUD)⁶

- a. The federal housing subsidy programs have often confused the physical goals of housing production with supplementary social goals, failing to take into account the extra measures which may be required in relocating and adapting families to standard living conditions.

In order to insure the preservation of new and rehabilitated, low and moderate income housing, HUD should recognize that ancillary funds should be available in inner city areas to achieve not only physical but social goals as well.

- b. In order to maximize efficiency and reduce duplication of effort and delay in processing, HUD should consider methods of organization and staffing which would save management's time and energy in their extensive dealings with HUD.
- c. HUD should be encouraged to lead the way in a cooperative effort with other agencies who have some degree of supervisory review or approval (Boston Housing Authority, Housing Inspection Department, Rent Control Board, Boston Redevelopment Authority) so that a single jurisdiction might be established or at least that the present amount of red tape involved might be greatly reduced.
- d. HUD should consider ways to build into mortgage financing the incentives for sound and qualitative management extending throughout the life of the project to assure that such considerations will be given equal attention for longer periods.

B. Direct Housing Allowance - Federal Action

The Boston Redevelopment Authority and the City of Boston strongly support the concept of a direct housing allowance program. Under a variation, each household would receive a monthly rent certificate worth the difference between what the family can afford and the cost of standard housing. The family would then seek its own housing in the private market and use the certificate for partial payment. However, the certificate would have to be validated by the local codes agency, and only standard housing units could be selected. It is also necessary that safeguards be incorporated into the program to assure that those receiving such certificates would have equal opportunity to secure housing of their choice.

Preference for direct housing allowances would also be given to tenants presently residing in low and moderate income housing in any instance where major rent increases occurred, as the means of achieving fiscal stability, or as the result of default and conversion to conventional financing, where such increases significantly exceeded 25 percent of their ability to pay for the housing. Unfortunately, although there are a number of

such programs now operative on an experimental basis throughout the country, the dimensions of the program are not yet final and there is none yet available in Boston. For the present, local policy makers are therefore forced to maintain a holding action which attempts a nearly impossible balance: upgrading the housing stock while keeping down rents.

C. Upgrading the Existing Housing Stock While Keeping Down Rents - Municipal Action 7

1. Credit Availability

Any revitalization strategy is necessarily dependent upon the general availability of credit for whatever purposes related to upgrading the housing stock -- from code repair and home improvement loans for existing owners to mortgages for new purchasers.

To be sure that owners at varying income levels may obtain loans, all lending institutions must be encouraged to resume using and adequately servicing the federal programs for insured lending (such as FHA Section 203 b , 223, Title I). In addition, new forms of loan guarantees must be created.

Most important, direct housing assistance is needed in the form of subsidized loans, in situations where the cost of fix-up exceeds the ability to pay. Successors are needed for the Section 312 and 115 home improvement loan and grant programs which have been terminated by the federal moratorium. The City should actively lobby at the federal and state level for the enactment of new programs which are simpler to operate and less confusing to applicants.

Services could be available in many forms: counselling, free inspections and "write-ups", other technical assistance, tax abatements for

fix-up coupled with code enforcement, are all potentially productive forms of encouraging fix-up. One promising alternative to subsidized loans is a special loan fund, created with the help of local help of local lending and/or philanthropic institutions, that would help elderly or lower income owners in otherwise sound areas to achieve code compliance, and the loan would be recovered in the course of normal ownership transfer.

2. Neighborhood Improvement

In spite of widespread doubts about its efficacy, code enforcement is one of the key tools already available when used in conjunction with adequate credit. Code standards should be identified which the majority of buildings in any given neighborhood can meet and enforcement should be tailored to these varying levels.

In addition, the quality and level of City services, from schools to police protection, to trash collection and maintenance of community facilities all play a crucial role in preserving and enhancing the various neighborhoods and should be improved where necessary.

3. Tax Policy

In order to provide incentives for fix-up for those improvements that fall between fix-up to code and gut rehabilitation, the impact of higher reassessment should be phased in gradually. Moreover, the City should substantially decrease or forgive altogether back taxes on a case-to-case basis to make rehabilitation economically feasible with low rent levels.

4. Relocation Allowance

A City ordinance should be adopted requiring all private developers not intending to be owner-occupants who displace households for purposes of rehabilitation (of more than three units) or demolition, to pay a relocation allowance of \$300 to each household to be dislocated.

5. Internal Administrative Organization

To a degree, lending and assistance may materialize as housing information, services, and responsibilities are defined and improved.

A housing information sharing system should be developed to serve as the operational files on all housing matters of the Housing Authority, the Rent Control Administration, and the Housing Inspection, Building and Assessing Departments.

The City's various inspection services departments should be reorganized along the lines presently being considered by the Mayor's Office. In addition, improved coordination of housing policy and services is essential.

These recommendations should be carefully considered and evaluated with respect to their potential impact on present and future housing policies and programs in the South End. The Authority welcomes purposeful and constructive suggestions as to how these recommendations might be amended or expanded in order to better meet the housing needs of all South End residents, as well as to insure their effective implementation.

V. ATTACHMENTS



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

AREA OFFICE
15 NEW CHARDON STREET
BOSTON, MASSACHUSETTS 02114

AREA OFFICES
Boston, Massachusetts
Hartford, Connecticut
Manchester, New Hampshire

REGION I
REGIONAL OFFICE
BOSTON, MASSACHUSETTS

MAR 4 1974

IN REPLY REFER TO

1.1121-1

Mr. Robert T. Kenney
Director
Boston Redevelopment Authority
Room 900, One City Hall Plaza
Boston, Mass. 02201

Subject: Section 236 Set Aside Funds for City of Boston

Attention: Mr. Charles Speliotis

Dear Mr. Kenney:

Pursuant to your letter of January 18, 1974 on the above subject, this office has reviewed the projects you recommended as substitution for projects previously rejected and needed for specific Urban Renewal commitments.

You will recall that the established criteria allowed use of these units if projects were needed for any of the following:

- 1) To close out an urban renewal project in FY 1974
- 2) To ensure relocation housing for renewal workload anticipated as of 6/30/74
- 3) To complete any urban renewal project if the units are needed to meet the requirements of Section 105 (f) or Section 105 (h) of Title I of the Housing Act of 1949 as amended

We have reviewed your proposals in view of the above and have determined that the projects you have recommended do not satisfy any of the above mentioned criteria.

Units are not needed to close out any urban renewal project within the City in Fiscal Year 1974. The following breakdown of relocation resource needs demonstrates that none of the projects recommended are needed to satisfy renewal workloads anticipated as of 6/30/74.

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MAR 6 1974

BOSTON REDEVELOPMENT AUTHORITY
OFFICE OF THE DIRECTOR

1. Waterfront - Parcel C-2 (b). 150 elderly units. Waterfront workload is zero. No units needed for relocation.
2. Fenway, Parcel 3 - 240 units. The Fenway workload is 24 and Symphony Towers (471 elderly units) will provide more than enough units for elderly in the workload from all Boston Renewal projects. The 240 units on Parcel 3 are not needed for relocation.
3. South Cove - Parcel R-4. One hundred forty six (146) elderly units. The remaining workload is 8 and only 3 are elderly. Symphony Towers in the Fenway could be utilized as a resource. The 146 units are not needed as a relocation resource.
4. South End - Franklin Square House - 211 units. Not needed for relocation resource. Two hundred and six (206) families and individuals are in the current workload. At this point adequate units are in the process to handle the existing workload. TDC II (185 units), Concord (180 units), Vivienas (240 units), CATA (150 units).
5. South End - Parcel 19 Rehabs - 35 units. Not needed for relocation resource.
6. Model Cities Area - Roxbury Action Program III - 96 units. Remaining workload is 16. The 96 units are not needed as relocation resources. MAP II-A is now being processed for feasibility and MAP II-B has been completed.

With respect to the criterion for units needed to complete any urban renewal project the following determination has been made with respect to satisfying the statutory requirements of Section 105 (f) and 105 (h) of Title I of the Housing Act of 1949, as amended.

- 1) Section 105 (f) of the Act applies to Urban Renewal projects undertaken pursuant to urban renewal plans approved after November 3, 1966, the date of enactment of the Act.

The following Boston Urban Renewal projects were approved prior to the enactment of Section 105 (f) and therefore are not affected by the housing requirements:

West End B1 2-3	Approved 12/57
Government Center R-35	" 10/25/61
Washington Park R-24	" 4/30/63
Waterfront R-77	" 8/18/64
Charlestown R-55	" 10/22/65
South Cove R-92	" 4/22/66
South End R-56	" 6/18/66

The Fenway Urban Renewal Project R-115 was approved on 3/17/67. While the Fenway project is affected by the requirements of Section 105 (f), the project was approved at a time when Section 105 (f) required only that a substantial amount of the project area be devoted to housing. Therefore the determination has been made in view of housing developed, and planned, that the Section 105 (f) requirements have been satisfied for this project.

The Housing and Urban Development Act of 1968, approved on 8/1/68 amended Section 105 (f) by requiring that a majority of the housing units provided in approved residential Urban Renewal projects which received Federal recognition after 1968 be developed for low and moderate income families or individuals.

The following Urban Renewal projects in Boston are affected by Section 105 (f) as amended:

Campus High R-129	Approved 6/72
Brunswick King R-168	" 6/73
Kittridge R-167	" 6/73

Project Mass R-129 Campus High - While the housing construction planned or completed within this project will not meet the requirements of Section 105 (f), at the time of the Survey and Planning approval, upon the request of the BPA, the New York Regional Office waived said requirement.

Project Mass R-167 Kittridge Square - There is no clearance proposed except, as conditional clearance, therefore it has been determined that Section 105 (f) of the Act does not apply.

Project Mass R-168 Brunswick King - The proposed land disposition in this project included the construction of 129 units of low and moderate income housing. It has therefore been determined that the proposed land use is in conformance with the requirements of Section 105 (f) and no additional units will be required.

- 2) Section 105 (h) requirements apply to urban renewal projects which received Federal recognition after the date of the enactment of PL.91-152 which was December 24, 1969..

Commercial projects approved after 12/24/69, and therefore not affected by the above housing requirements are as follows:

South Station R-82	-	Approved 6/23/71
East Boston RDP-A-3	"	3/24/72
School Franklin R-155	"	6/72

Therefore only the following projects could be affected by Section 105 (h) requirements:

Campus High R-129	Approved 6/72
Brunswick King R-160	" 6/73
Kittridge R-167	" 6/73

According to the approved urban renewal plans for the above three projects a total of 576 units have been or will be demolished. As you know Section 105 (h) requires that if any urban renewal project which receives Federal recognition after the date of the enactment of the section includes demolition or removal of any residential structures there shall be provided within the jurisdiction of the IRA standard housing units for low and moderate income families equal to the number of units occupied by such families prior to demolition or removal of such structures.

The determination has been made that the Section 105 (h) requirement has been more than satisfied for the above three projects by construction throughout the City of Boston of the following kinds of units since 1968:

Section 236	5,479
Section 221d3 BMR	9,088
Rent Supplement	2,965
Public Housing	4,153
Section 220	2,577
Section 221d4	879
LEW	2,253

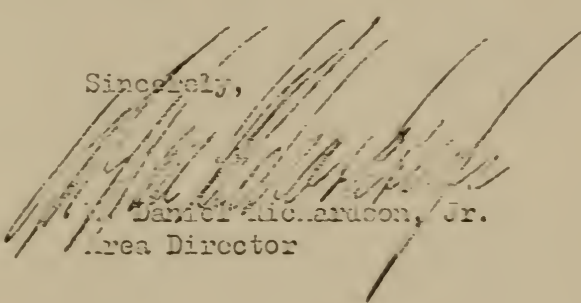
In view of the foregoing this office can not recommend your request for replacement of projects indicated in your January 18, 1974 letter. It is recognized that the projects you recommended are probably needed and have merit but they do not satisfy the requirements established for use of available Section 236 funds.

This office will be pleased to answer any questions you have on the foregoing determination but you are cautioned that if you wish to make an appeal for reconsideration of this decision that the HUD Central Office has decided that no requests for replacements shall be honored after March 31, 1974.

In view of the above determination this office does encourage the BHA to work closely with the Boston Housing Authority to secure and utilize the new Section 23 leased Housing Program, for which funds will be released shortly. It appears that the program may provide a useful mechanism to develop the housing proposals you recommended in view of the anticipated use of LEW for many of the projects. It is suggested that the Section 23 program may provide the same benefits as Section 236 funds.

This office has already and will continue to meet with the BHA on the new Section 23 program and will be pleased to discuss the new procedure with you.

Sincerely,


Daniel Richardson, Jr.
Area Director

cc: Mayor Kevin White
(Andy Olins)

February 25, 1974

Mr. Robert T. Kenney, Director
Boston Redevelopment Authority
New City Hall
One City Hall Square
Boston, Massachusetts 02201

Dear Mr. Kenney:

RE: Low-Income Housing Needs, South End

In connection with the efforts of your staff toward developing a city-wide needs analysis for low-and-moderate income housing, particularly in those urban renewal areas which have already received a substantial investment of funds made available to you, we are pleased to offer any assistance we can.

Of particular concern at the moment is the South End section of the city. The Boston Housing Authority has been approached on a great many occasions by potential developers of new or rehabilitated houses in the South End during the past year. During this year of the Moratorium, the BHA, of course, has been unable to make commitments to any developer of a prospective turnkey project no matter how desirable the site. Those sites which have a great appeal, we have nonetheless tried to keep "alive" for the time when either Federal or State turnkey funds are made available to us.

In the case of the South End, however, we have discouraged the development of additional low-rent public housing for both the elderly and for families, since we feel that there is already so great a commitment of our funds to the area that other sections of the city are now of a higher priority.

In essence, despite the fact that prior to redevelopment, the South End was predominantly a low-to-middle income area of the city, our studies indicate that the proportion of low-income housing in the South End to the total housing stock of the area--as well as the proportion of all BHA housing which is located in the area--is so significantly greater than the city-wide average that the South End is no longer a high priority area relative to elderly and family needs in other areas of the city. On a case-by-case basis

R. T. Kenney, Director
RE: Low-Income Housing Needs

- 2 -

February 25, 1974

we have made some tentative commitments for additional leased housing in the area, often in conjunction with MHFA financing, again contingent on HUD funding; but we have not made any major commitments to developers during the past year for either turn-key developments or leased housing.

A few statistics are revealing. The BHA has constructed in the South End seven low-rent public housing projects (including St. Botolph Street Elderly Development which serves both the South End and Fenway Area). These projects provide 1,492 units (924 for families and 568 for the elderly). An additional 201 units for the elderly are due to be ready for occupancy this summer which will increase the total to 1,693 units, of which 924 are for family occupancy and 769 for the elderly. Including projects now under construction, the Authority owns 16,489 units of housing throughout the city. Thus, in an area with just 3.4% of the city's population the BHA has constructed over 10% of its low-rent public housing.

Our leased housing program also shows a disproportionately high share of total units located in the South End. The Authority currently leases approximately 2,700 dwelling units under its Section 23 program. Of these 758, or 28% of the total, are located in the South End, a proportion far in excess of that in any other area of the city. As I mentioned earlier, we have continued to issue extremely tentative commitments to a number of developers seeking leased housing during the past year, particularly those with either FHA-236 or MHFA financing where a low-income component is strongly urged. Some of these have been in the South End. By the time we have committed any new allocation of Section 23 funds which we expect to receive shortly from HUD, we anticipate that over 800 total leased housing units would be located in the South End.

In sum, by this summer when our most recent turnkey project is completed and when we hope to have additional leased housing funds committed, we anticipate that approximately 2,500 units of low-rent public housing will be located in the South End, or over 13% of all BHA housing.

In viewing the total picture of low-income units in the South End, the rent supplement program must also be included. The most recent data available from the HUD office indicates that 345 units in the South End were under Rent Supplement contracts with an additional 75 units awaiting final approval in the 236 proposals of the Emergency Tenants' Council and the Tenants' Development Corporation. Adding these units to the BHA's total, we find that there are 2,845 units of housing for low-income families or the elderly either occupied or under construction, and 2,920 units when those rent supplement units currently in advanced stages of planning are included.

February 25, 1974

These figures represent only low-income housing. We have, however, gathered data which indicate that there are 1,938 units of moderate income housing in the South End constructed or rehabilitated under either the FHA 221d(3) program, the FHA 236 program, or MHFA's below market interest rate program. In sum, there appear to be 4,631 units of housing in the South End for low and moderate income housing.

Putting these figures into perspective is the only meaningful way to measure the impact of subsidized housing in the South End area. The 1970 census lists 9,976 dwelling units in the census tracts comprising the South End. Although a good deal of the housing has been rehabilitated or newly constructed since the 1970 census figures were gathered, it would probably not be far off to estimate that about 45% of all housing units in the South End are receiving a subsidy of one form or another (excluding 312 loans) and that over 25% of the units in the area are occupied by low-income families.

The 1970 census also lists 22,103 persons living in the South End. At an average of 2.3 persons per unit, approximately 11,000 persons, or 50% of the entire South End's population is estimated to be in low and moderate income housing, with approximately 6,500 persons or 30% of the total population in publicly subsidized low rent units.

Our studies do not attempt to show that there is no further need for low and moderate income housing in the South End. Indeed, the waiting lists for all projects in the South End total 1,112 families. Since a family can apply to more than one project, however, the figure undoubtedly involves a high degree of double counting. Additional low and moderate income housing in the better parts of the area could undoubtedly be rented. We must point out, however, that we experienced a great deal of difficulty in renting up our most recently completed South End turnkey project for the elderly, 234 units in three separate buildings. Although two of the buildings have now been rented completely and have a small waiting list, the third building, on Northampton Street has still not rented up, a full six months since it was ready for occupancy. The 201 units under construction now and scheduled for completion in the early summer should substantially reduce or eliminate completely the waiting list for apartments for the low income elderly in the South End.

As an agency responsible for the entire city, however, the Boston Housing Authority must of course look to each area with respect to all other areas as it establishes priorities for the allocation of new units. What our studies do show therefore is

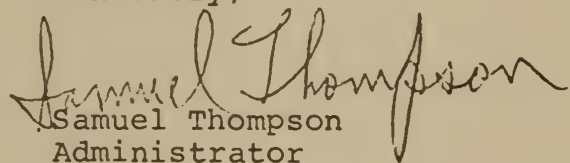
February 25, 1974

that the South End is of a low priority compared to other areas of the city for additional low-rent housing in that a disproportionate share of BHA units are already built in the area especially in light of the ever-diminishing funding resources available to us. They also indicate that most other sections of the city have nowhere near the proportion of low-rent housing units to total units as the South End. By way of example, Dorchester has 7.6% of its units occupied by low-income (BHA) families and the elderly, Hyde Park 2.3%, Allston-Brighton 7.1%, West Roxbury 0.7%, and Roxbury 13.9%. Only Charlestown, with 27% of its total units being low-rent public housing compares with the South End's 26% figure.

In sum, it is the feeling of the Authority that the South End has been the recipient of a significant amount of the BHA's efforts toward meeting the low-rent public housing needs of the city and that while further need for low-rent housing can undoubtedly be shown, other areas of the city are now of a higher priority than the South End for our efforts in the future.

This is not to indicate that the BHA will not entertain any new proposals in the South End if they have particular merit. We shall, however, weigh the incremental benefits to the area of any new South End proposals against the incremental benefits of proposals in other parts of the city in making our decisions as to which particular projects we commit ourselves to.

Sincerely,


Samuel Thompson
Administrator

cc: Andrew Olins, Mayor's Office

enclosures

SWG/cf

VI. REFERENCES

REFERENCES

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GLOSSARY

GLOSSARY

Urban Renewal

Programs designed to eliminate blighted areas and to encourage revitalization through public and private investment. In accordance with a renewal plan approved by the community and local, state and federal agencies, the Local Planning Agency (BRA) purchases property, demolishes the dilapidated buildings, then turns the vacant land over to private developers to rebuild.

In some instances, the Authority has acquired tax-foreclosed buildings from the city, purchased buildings directly from private owners, or retained buildings previously scheduled for demolition for the purpose of selling them to private developers or individuals for rehabilitation.

The funding for Urban Renewal programs has been two-thirds federal, one-sixth state, and one-sixth local. These programs are presently being phased out and replaced with Community Development Revenue Sharing.

HUD

In addition to funding Urban Renewal programs, the U. S. Department of Housing and Urban Development makes available two basic types of housing finance:

- 1) it handles federally aided public housing programs through Local Housing Authorities by making loans and guaranteeing loans for public housing projects; and
- 2) it insures mortgages on private homes, private rental projects, privately-owned elderly housing and cooperatives.

DCA

The Massachusetts Department of Community Affairs is the State agency which administers all joint federal-state and state-aided housing programs. One of the three divisions of DCA is the Community Development Division which oversees all Local Housing and Redevelopment Authorities.

MHFA

The Massachusetts Housing Finance Agency is an independent agency within DCA. It acts like a bank, making mortgage loans to non-profit or limited dividend sponsors for the building of low and moderate income rental housing.

Non-Profit Sponsors

A group, organized for reasons other than making money, which undertakes a housing project. It is allowed 100% mortgage financing at Below Market Interest Rates.

Limited Dividend Corporation

A profit motivated housing development sponsor that can earn 6% profit annually on the 10% equity it owns of the project. It is allowed 90% mortgage financing at Below Market Interest Rates.

Section 221(d)(3)

The provisions of this section have been widely used to provide housing for families whose income was too high for public housing but too low to readily obtain standard new or rehabilitated housing in the private market. The Housing Act of 1968 transferred 221(d)(3) projects to Section 236.

Section 236

Until the recent Federal moratorium, this program has been the basic program for construction or substantial rehabilitation of multi-family dwelling units for low and moderate income housing. 236 projects are sponsored by non-profit or limited dividend corporations, financed by conventional lending institutions, and insured by federal and state mortgage programs.

Rehabilitation - Section 312

This program, no longer funded, was for long term low interest loans for rehabilitation of homes in urban renewal areas. Loans could amount to \$14,500 per dwelling unit and cover 20 years or three quarters of the remaining economic life of the property with an interest rate of 3%. An individual could receive both a section 115 grant and a 312 loan.

Section 115

This program covered rehabilitation in Urban Renewal Areas for repairs or improvements on owner-occupied housing to bring the property up to standard condition. The aid is in the form of a grant up to a maximum of \$3500 or the cost of repairs, whichever is less. Only low income families were eligible.

Turnkey

In a turnkey program, the developer owns the land, arranges his own financing, and builds the project for the Local Housing Authority. When the project is complete, he literally "turns over the keys" to the LHA.

Tax Concession - Chapter 121A

Not a loan or insurance program, it provides for tax concessions to private groups who are willing to invest capital to redevelop land in high risk areas. Non-profit or limited dividend sponsors are eligible, and pay 17 percent of gross income per year in lieu of taxes.

Leased Housing

This program is designed to provide housing for large or otherwise hard to place low income families and individuals. HUD permits the Local Housing Authority to lease privately owned units at the market (or 236) rate. The LHA in turn rents the units to low income tenants eligible for Regular Public Housing at rentals of between 20 and 25 percent of the tenants' incomes.

Rent Supplement

Started in 1966, this program was designed to supplement rents charged to tenants of housing units built or rehabilitated by non-profit, limited dividend sponsors. In projects constructed under Section 236, tenants pay 25 percent of their income and HUD pays the rest. Tenants need not move when their incomes rise above allowable limits, but must assume full rent.

Rent Skewing

A process employed in some developments by MHFA of increasing the rent on the units in a housing project that are made available to higher income families to help reduce the rents of low income tenants.

LOW AND MODERATE INCOME ELIGIBILITY REQUIREMENTS

LOW INCOME

FAMILY SIZE	MAXIMUM INCOME	RENT*
0 - 1	\$6,600	
2	7,100	
3	7,600	20% of income
4	7,900	without utilities
5	8,200	
6	8,500	25% of income
7	8,800	with utilities
8	9,100	
9	9,400	
10+	9,700	

MODERATE INCOME

FAMILY SIZE	MAXIMUM INCOME	RENT**
0 - 1	7,400	
2	9,000	1-BR: \$145
3	10,600	2-BR: 171
4	10,600	3-BR: 197
5	12,200	4-BR: 222
6	12,200	
7+	13,800	

*This is the rent schedule used in the Boston Housing Authority's Public Housing and Leased Housing Programs, and the Federal Rent Supplement Program.

**Unit size is determined by number of family members. Rent varies slightly from project to project as a result of location, timing, construction and maintenance costs. Figures cited above are those for Methunion.

NOTE: The median income in the South End has increased from \$4,542 in 1960 to \$6,122 in 1970.

The median income in the City of Boston has increased from \$7,206 in 1960 to \$9,133 in 1970.

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